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COUNSELLORS AT LAW

CLIENT ALERT

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THE DEPARTMENT OF LABOR PUBLISHES MODEL COBRA NOTICES INCORPORATING THE FEDERAL 65% COBRA SUBSIDY

Last week, the United States Department of Labor (the “DOL”) published model COBRA notices which incorporate the requirements of The American Recovery and Reinvestment Act of 2009 (the “Stimulus Package”). The Stimulus Package provides a 65% subsidy of COBRA continuation coverage premiums (or premiums for continuation coverage under any state law similar to COBRA) for a period of up to nine months. In order to be eligible for the subsidy, the individual must have had or have an involuntary termination of employment during the period beginning September 1, 2008 and ending December 31, 2009. This subsidy also is available for enrolled family members of the eligible employee. The nine-month subsidy terminates upon certain events including, but not limited to, the first day the individual becomes eligible for coverage under another group health plan, the date he/she becomes eligible for Medicare, or the date on which his/her COBRA continuation period (usually 18 months) ends. The subsidy is not available to individuals who exceed certain income limits (\$125,000 for individual tax filers; and \$250,000 for joint tax filers).

Individuals who meet the eligibility criteria above, but who did not elect COBRA continuation coverage or who elected COBRA continuation coverage initially but have since discontinued their COBRA coverage may be entitled to a second COBRA notice and a second opportunity to elect COBRA coverage (retroactive only to February 17, 2009 and continuing only for the remainder of the COBRA window for which they were originally eligible). The second COBRA notice must be provided on or before April 18, 2009.

The model COBRA notices and a wealth of other information regarding the COBRA subsidy are available on the DOL’s website: <http://www.dol.gov/ebsa/cobra.html>.

CONVERT TO THE NEW I-9 FORM ON APRIL 3, 2009

The United States Citizenship and Immigration Services (the “USCIS”) has adopted a revised I-9 Form which must be used by employers beginning on April 3, 2009. A copy of the new I-9 Form can be downloaded from the USCIS website: http://www.uscis.gov/files/form/I-9_IFR_02-02-09.pdf.

We hope that this information is useful. Please feel free to contact us if you have any questions regarding the issues address in this Client Alert or any other employment issue.

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